

## Message Text

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PAGE 01 LONDON 04525 181600Z  
ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 FRB-03 INR-07 NEA-10 NSAE-00  
USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01  
AGRE-00 OMB-01 STR-04 L-03 SS-15 NSC-05 /111 W  
-----190809Z 111777 /20

R 171552Z MAR 76  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 1702  
INFO USMISSION OECD PARIS  
USMISSION EC BRUSSELS  
USDEL MTN GENEVA  
USMISSION GENEVA  
AMEMBASSY BERN  
AMEMBASSY PARIS  
AMEMBASSY BONN  
AMEMBASSY TOKYO

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E.O. 11652: N/A  
TAGS: ETRD. OECD. EEC, UK  
SUBJECT: RENEWAL OF OECD TRADE PLEDGE

REF: LONDON 3217. EC BRUSSELS 2191

1. DURING A CALL BY ASSISTANT SECRETARY KATZ AND  
EMBASSY EC MIN MARCH 17, DEPARTMENT OF TRADE PERMANENT  
SECRETARY SIR PETER THORNTON CONFIRMED THAT THE UK IS  
READY TO RENEW THE OECD TRADE PLEDGE. THORNTON SAID  
THE TIME WHEN THE ALTERNATIVE STRATEGY OF GENERAL IMPORT  
CONTROLS COULD BE CONSIDERED HAS PASSED; ASIDE FROM  
UNDERTAKINGS TO THE IMF, INCREASED PRODUCTION OF NORTH  
SEA OIL MEANS A BALANCE OF PAYMENTS PROSPECT WHICH  
COULD NOT JUSTIFY GENERAL CONTROLS. ANY REMAINING  
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PAGE 02 LONDON 04525 181600Z

PROBLEMS ARE SECTORAL, E.G. TEXTILES, AND CAN BE DEALT  
WITH BY SELECTIVE CONTROLS WHICH ARE NOT RULED OUT BY  
THE PLEDGE. HE SAID THE UK DOES NOT ATTACH MUCH IM-  
PORTANCE TO THE PLEDGE, HOWEVER; IT WAS VALUABLE IN  
1974-75 BUT DOES NOT SERVE MUCH PURPOSE NOW.

2. THORNTON WENT ON TO REPEAT THE LINE WE HAVE HEARD FROM OTHER BRITISH OFFICIALS, TO THE EFFECT THAT TRADE WITH JAPAN AND THE MORE ADVANCED EAST ASIAN COUNTRIES IS DIFFERENT FROM TRADE WITH THE WEST AND MAY HAVE TO BE TREATED DIFFERENTLY. HE DESCRIBED COMPETITION FROM THESE COUNTRIES AS NARROWLY FOCUSED, RAPID AND DESTRUCTIVE, INVOLVING EFFORTS TO TAKE WHOLE MARKETS. THE BRITISH GOVERNMENT WILL NOT STAND BY AND LET INDUSTRIES BE DESTROYED BY IMPORTS FROM EAST ASIA. IN RESPONSE TO KATZ' REMARK THAT THIS IMPLIED A RATHER DISMAL PROSPECT, THORNTON SAID THE UKG CAN CONTAIN DEMANDS FOR PROTECTION IF IT CAN ACT IN A LIMITED NUMBER OF CASES, BUT IT MUST HAVE THE ABILITY TO DO THIS. THE WHOLE SITUATION IS MADE WORSE BY DIFFICULTIES IN GETTING INTO THE JAPANESE MARKET, THOUGH HE AGREED THAT SEEKING TO OPEN JAPANESE MARKETS, IF IT CAN BE ACCOMPLISHED, IS A BETTER SOLUTION THAN TRADE RESTRICTIONS. THORNTON SAID IT WILL BE NECESSARY TO COME TO TERMS WITH THE PROBLEM SOMEHOW. HE SAID INTERNATIONAL SUPERVISION SHOULD BE PART OF ANY LONG-TERM SOLUTION.

SPIERS

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, EAST WEST TRADE, MEETING REPORTS, MEETINGS, MEMBERSHIP, TRADE  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON04525  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D770094-0797  
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**Litigation History:**  
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**Message ID:** d21728ad-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LONDON 3217  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2957258  
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**Status:** <DBA CORRECTED> srp 970828  
**Subject:** RENEWAL OF OECD TRADE PLEDGE  
**TAGS:** ETRD, UK, EEC, OECD  
**To:** STATE INFO BERN MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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